

# American

## NEWS & VIEWS

*A Daily Newsletter from Public Affairs, American Embassy*

---

---

May 24, 2011

---

G8 Leaders Focus on Stronger Economic Foundation .....	1
OECD Becoming “Global Policy Network” .....	1
U.S. Urges Sudanese to Avoid Further Conflict over Abyei .....	2

**G8 Leaders Focus on Stronger Economic Foundation**

By Merle David Kellerhals Jr.  
Staff Writer

Washington — The Group of Eight (G8) nations, representing the most advanced global economies, will discuss a range of economic, political, security and development issues during a two-day summit in France, but will be particularly focused on setting a sounder foundation for economic growth in the aftermath of the 2007–2009 recession.

The leaders of Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States and representatives from the European Union will meet May 26–27 in Deauville, in Normandy. Among the greatest concerns is a plan for building a global economy less prone to the wide expansions and contractions — known as the “boom and bust cycle” — that have characterized the previous 20 to 30 years, a White House adviser says.

It is a plan that will be a significant part of the discussions November 3–4 at the Group of 20 (G20) summit in Cannes, France.

“There will be a discussion of the global economy and the situation of the global recovery, of risks to that global recovery, as well as dialogue around trade and climate change,” Mike Froman, the deputy national security adviser for international economic affairs, said May 20 during a press briefing in advance of President Obama’s travel to Europe May 23–28.

Over the course of the week, the president is visiting Ireland, the United Kingdom, France and Poland.

“The G8 will focus largely on political security and development issues,” Froman said. Any discussion of the global economy will be “in the context of what’s going on in Europe currently and the United States currently, as well as Japan.”

These talks will fit well with the discussions held in the G20 on the importance of global economic rebalancing, including encouraging more domestic demand in the major surplus countries and increasing savings in the major deficit countries, he said.

The G20 has become the premier forum for international economic cooperation. Issues include rebalancing financial regulation, strengthening national economies, and laying the foundation for more stable growth.

Froman said that one G8 session this year will include the prime ministers from Egypt and Tunisia, as well as World Bank President Robert Zoellick, U.N. Secretary-General

Ban Ki-moon, and representatives from the International Monetary Fund.

The G8 leaders will also meet with leaders from nine African countries: Algeria, Côte d’Ivoire, Egypt, Ethiopia, Guinea-Conakry, Niger, Nigeria, Senegal and South Africa. The focus of these meetings is development, and also political and security issues, Froman said.

**SIX TO EIGHT**

The G8 forum began as the Group of Six in Rambouillet, France, in 1975, during a dinner meeting of leaders from France, Germany, Italy, Japan, the United Kingdom and the United States. It grew out of the 1973 oil crisis that nearly crippled the economies of the largest nations.

Canada joined the group a year later to create the G7. In 1997 Russia was added to create the G8.

The European Union is represented in the forum, but cannot serve as the host or chair its annual summits. The summits are held in one of the eight nations every year, and the host nation acts as chair and sets the agenda for the two days of talks.

There are separate summits held for G8 finance ministers and central bankers, foreign ministers, justice ministers and environmental ministers. The finance ministers generally meet four times a year.

The G20, formed in 1999, includes the G8 members plus Argentina, Australia, Brazil, China, India, Indonesia, Mexico, Saudi Arabia, South Africa, South Korea, Turkey and the European Union.

**OECD Becoming “Global Policy Network”**

By MacKenzie C. Babb  
Staff Writer

Washington — The Organisation for Economic Co-operation and Development is “pivoting to become a global policy network,” according to U.S. Permanent Representative to the OECD Karen Kornbluh.

Kornbluh held a news briefing May 23 to discuss the agenda for the OECD 50th anniversary meetings May 25–26. They will be hosted by the United States and chaired by Secretary of State Hillary Rodham Clinton. They will take place in Paris, where the OECD is based, and will include ministers from member countries and emerging partner countries.

“In this interdependent global economy,” Kornbluh said, “it’s important for the OECD to reach out beyond its 34 member countries to have partnerships with other international organizations, regional organizations, and

... new economic powers," such as China, India, Brazil, Indonesia and South Africa. She said these growing economies are key partners and will participate in the meetings, as will Russia, which is working toward accession to the OECD.

In addition to talks about trade, employment and the global economic recovery, Kornbluh said, ministers will discuss issues related to development. She said the OECD is "going to increase its focus on development to bring together its two traditions — one of bringing together aid donors and another tradition ... of working on policy transformation to help countries become better at economic policy."

Kornbluh said the group will work to bring developing countries together with developed countries in peer-to-peer discussions covering topics from building better tax and governance systems to cracking down on corruption and enhancing economic growth.

She said ministers are also set to discuss the release of a major paper on environmentally friendly growth and business practices.

Kornbluh added that the United States has initiated an OECD gender initiative, which is set to release an interim report during the meetings. She said the paper "declares that women's economic empowerment is a critical piece of economic growth as we come out of this financial and economic crisis."

She said the ministers will release a vision statement committing the group to "becoming a more effective global policy network" and a document that lays out the process by which the OECD will pay greater attention to development.

Clinton will lead the U.S. delegation in Paris and will be joined by USAID Administrator Rajiv Shah, U.S. Trade Representative Ron Kirk and Austan Goolsbee, chair of President Obama's Council of Economic Advisers.

The OECD expects that more than 60 foreign ministers and 15 heads of state will attend.

### **U.S. Urges Sudanese to Avoid Further Conflict over Abyei**

By Stephen Kaufman  
Staff Writer

Washington — The Obama administration warned that there is serious danger of more conflict between the Sudanese government and Southern Sudanese forces over Abyei and urged both sides to restore calm and cooperation in the area.

Speaking in Washington May 23, U.S. Special Envoy for Sudan Princeton Lyman condemned both the May 19 attack by Southern forces against Sudanese army personnel and the May 21 occupation of Abyei by Sudanese forces.

The attack on the Sudanese army convoy, which was being escorted by U.N. peacekeepers, was "deplorable and wrong," Lyman said, and the Sudanese army's occupation of Abyei was "irresponsible" and "an extremely disproportionate response" to the May 19 incident.

The crisis is the most serious threat to a peace settlement between Northern and Southern Sudanese since a previous attack on Abyei in 2008. "The danger of further conflict in Abyei is serious," Lyman said.

He called upon Sudanese forces to withdraw from Abyei and for the Abyei administration that was unilaterally dissolved by Sudanese President Omar Al-Bashir to be recreated.

Bashir and Sudanese First Vice President Salva Kiir, the president of the government of Southern Sudan, need to "immediately come together and calm the situation" and resume their cooperation as negotiations continue ahead of the South's expected declaration of independence on July 9, Lyman said.

In 2005, both sides signed the Comprehensive Peace Agreement (CPA) that ended two decades of civil war in which an estimated 2 million people died. Lyman said the successful completion of the CPA, which includes a negotiated settlement for Abyei, will determine the ability of the United States to normalize its relationship with Sudan and remove it from the list of states that sponsor terrorism.

"If we don't have a successful completion of the Comprehensive Peace Agreement, if we don't have Abyei being negotiated rather than occupied, it'll be hard to move forward on those items," he said.

(This is a product of the Bureau of International Information Programs, U.S. Department of State. Web site: <http://iipdigital.usembassy.gov>)